

## Distribution Elections

If you have not retired or terminated from service, you are not required to take distribution(s) from your RSA-1 account. The account(s) will continue to have interest posted to the balance each month. You may leave the balance in your account until you request a distribution or you retire or terminate service and reach age 70½ when it is necessary to start the Required Minimum Distribution (RMD).

At the time of retirement or separation from service, you may choose one or a combination of the following distribution elections:

### 1. Full Lump-Sum Payment

Receive a lump-sum payment consisting of the balance in the account(s). The IRS requires RSA-1 to withhold 20% of the lump-sum distribution for federal income tax.

### 2. Partial Lump-Sum Payment

Receive a partial lump-sum payment and leave the balance in the account. The IRS requires RSA-1 to withhold 20% of the partial lump-sum for federal income tax.

### 3. Periodic Payment

You may have your account funds distributed periodically. This can be a specific amount, an amount based on a specific number of years, or an amount based on your life expectancy.

Members who elect to receive a periodic payment for a period of 10 years or more may choose the amount of federal tax they wish to have withheld from the monthly or annual disbursement. However, the member will be responsible for taxation on federal tax returns.

If the periodic payment is for a period less than 10 years, the IRS requires the RSA to withhold 20% for federal income tax.

### 4. Rollover

You may elect to roll over a portion or the entire balance to an eligible retirement plan.

### 5. Combination of Elections Two through Four

Participants may take a partial lump-sum payment and start periodic payments or a partial lump-sum payment and roll over a portion or the remaining balance to an eligible retirement plan.

## Payment Information

Monthly and annual payments are mailed and electronic deposits are made the last business day of each month. Full lump-sum and partial payment checks are mailed on Fridays or are available for pickup at the Retirement Systems of Alabama, 201 South Union Street, Montgomery. No interest will be paid on the monthly interest posting date after the account has been distributed in full.